

# **The Delusion of Federal Aid**

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## THE DELUSION OF FEDERAL AID

Federal aid is, in effect, the federal government saying to the states:

*"The people in your states need some aid. So we are going to tax them, bring the money to Washington, deduct the expenses of administering the aid, and then provide the aid they need with their own money."*

It is just as if a doctor said to his patient:

*"You need a blood transfusion. I am going to take some blood out of your left arm; I am going to put it back in your right arm. I will spill some in the process, but I am going to give you a blood transfusion with your own blood."*

There is, actually, no such thing as federal aid. The best that can be said for it is that it is a redistribution of wealth.

In fact, it was on this basis that the New Deal first attempted to "buy" the South. The South generally never has been, and is not, sympathetic to state control and regimentation of the individual. When the advocates of these practices got in control of the Democratic party, to which the South has traditionally belonged, they therefore did not find a sympathetic response in the South.

The New Deal thereupon hit upon the device of bribing the South with federal aid, knowing full well—as has later been ruled by the Supreme Court—that whatever the government subsidizes it has the right to control.

The South was susceptible to this enticement. The South had not yet fully recovered from the loss of a large part of its assets during civil war nor from the hardships of reconstruction that followed. Its per capita wealth and per capita income were still considerably below the national average. The New Deal government—through federal aid—promised to remedy this discrepancy by transferring money collected from the wealthier states to the poorer states of the South.

This bait was swallowed by many people in the South, but not—and for this the whole nation may be grateful—by any means all the people. The South accepted the federal aid because it was instituted as a national policy, and the South remained Democratic because the Republican Party offered them no real alternative—but it was mainly the influence of Southern members of Congress, aligning themselves with those of like mind from other parts of the country, that prevented our nation from going all the way down the road to state socialism in the following years.

In the meantime, the South has been gradually closing the gap in per capita wealth and income. Nor is this due in any way to federal aid. All the reasons for material prosperity have existed in the South all along—it simply takes time to bring it about.

At the same time, though, the cancerous delusion of federal aid has been gradu-

ally eating away at the financial and moral responsibility of the people. Until now we are seeing a strange thing happen! The Governor of Michigan and the Governor of New York—two of the richest states in the union—have both agreed that their respective states must have more federal aid for schools and for such other things as housing and highways.

**Now that's a pretty how-de-do. Where's the money coming from? Well, where else can it come from except the states of Mississippi and Arkansas, whose per capita wealth and income are still the lowest in the union? And from the other forty-four states, all of whom are less wealthy than New York and Michigan. So now we are begging from each other!**

All of which very clearly shows up the fallacy of federal aid. It all indicates how the "getting something for nothing" habit, like the dope habit, gains an insidious control over people until they lose all sense of moral values.

Carried to its ultimate end, of course, federal aid means complete state socialism. And state socialism carried to its ultimate end means communism. The people of this country do not want that.

***What the states of this nation need—South or elsewhere—is not federal aid but economy in the federal government. Then they would have all the money they need to provide their own wants with their own money.***